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March 26, 2004

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and

OVERNIGHT DELIVERY

Mr. Jeff S. Jordan
Supervisory Attorney
Complaints Examination & Legal Administration
Federal Election Commission
999 E. Street, NW
Washington, D.C. 20463

Re: MUR 5406.

Dear Mr. Jordan:

Oh behalf of my clients, the 43rd Ward Democratic Party, its Chairperson Peggy A. Roth, Friends of Vi Daley and its Chairperson, Thomas Moore, I write to demonstrate that no further action should be taken against them in the above-referenced matter.

The Complaint filed by Mr. Jaecks alleges that numerous Illinois state and local political committees, including my clients, engaged in a "money laundering" "scheme" in conjunction with the Hynes for Senate Committee. Specifically, the Complaint alleges that the Hynes for Senate Committee "arranged donations of unrestricted state campaign funds from its allied Illinois state campaign finance committee, Friends of Dan Hynes, to other Illinois state campaign finance committees which funds were later contributed back to the committee through the conduits of the recipient Illinois state campaign finance committees (or their principals).. " For the reasons set forth below, the Commission should take no further action in this matter.

In Paragraph 19 of the Complaint, Complainant alleges that this purported "scheme" is demonstrated by a \$5,000 contribution on January 28, 2003 from Friends of Dan Hynes to the 43rd Ward Democratic Party. Complainant implies, without specifically alleging, that the "scheme" was completed by a \$1,000 contribution to Hynes for Senate from the 43rd Ward Democratic Party over two months later, on March 31, 2003, and by a \$500 contribution from an

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COUNSEL

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individual, Charles Bernardini, and a \$1,000 contribution from Friends of Vi Daley, almost nine months later, on September 8, 2003 and September 19, 2003, respectively.

The Commission should take no further action on this matter because the Complaint, on its face, fails to adequately demonstrate sufficient facts to support the allegations. First, and most obviously, the Complaint does not allege that, as a part of this purported "scheme", Friends of Vi Daley received any funds from either Friends of Dan Hynes, Hynes for Senate or from the 43rd Ward Democratic Party. If there were any such transfers to Friends of Vi Daley from either committee, such transactions would have been reported with the Illinois State Board of Elections and for the Cook County Clerk and made publicly available. See 10 ILCS 5/9-10.

Similarly, Complainant alleges that the \$500 contribution from Mr. Bernardini to Hynes for Senate was part of this alleged money laundering scheme. Again, however, Complainant fails to allege that Mr. Bernardini received any funds from any other participant in the alleged scheme. Any expenditure to Mr. Bernardini would also have been reported and made available to Complainant, and to the public.

In short, Complainant alleges that this "scheme" involved at least two parties, Friends of Vi Daley and Mr. Bernardini, who participated despite the fact that, by Complainant's own admission, they received absolutely nothing at all from any of the other alleged participants. Complainant is simply trying to concoct a "scheme" by bunching together committees and people who happen to be, or were at one time, affiliated with the 43rd Ward Democratic Party in the City of Chicago. Nothing in the Complaint, however, supports a reasonable conclusion that these disparate contributions occurring over the course of nine months could possibly have been the result of a "scheme" designed to launder money.

Regarding the 43rd Ward Democratic Party, the \$1,000 contribution to Hynes for Senate on March 31, 2003 was made in the ordinary course of the Committee's business and without regard for any contributions or considerations other than the Committee's decision to support Mr. Hynes' candidacy for nomination to the Senate. As evidenced by the attached affidavit from Peggy A. Roth, the elected Democratic Committeeman for the 43rd Ward of the City of Chicago, the contribution from the 43rd Ward Democratic Party to Hynes for Senate resulted from her decision, as the elected committeeman, to endorse Mr. Hynes' candidacy. At no time did Ms. Roth ever discuss or communicate in any way with any person an exchange of contributions or make the contribution in any way related to or contingent upon any action by any other committee or person.

Ms. Roth's obligation to the constituents who elected her is to support candidates for public office who she believes will make the best representatives of her community and her Party. The contribution was simply made in furtherance of that obligation and was in no way conditioned upon or contingent on the actions of anyone.

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Regarding Paragraph 23 of the Complaint, the Commission should take no further action because the contributions from the Friends of Vi Daley and the 43rd Ward Democratic Party were completely legal and in full compliance with the Act and its regulations. As evidenced by the attached affidavits, each contribution was made by a State or local political committee which had, at the time the contribution was made, sufficient funds acceptable under the Act to support the contribution. *See* A.O. 1999-4, 11 C.F.R. 102.5(b). Accordingly, this was not, as Complainant alleges, an effort to contribute funds whose ultimate source was "corporations, unions, foreign nationals, federal government contractors and contributors who have already reached federal contribution limits." Complainant offers no evidence whatsoever that any of these contributions came from a source prohibited by the Act. Indeed, Respondents have indicated, through the attached affidavits, that these contributions are specifically permitted and contemplated by the Act.

Accordingly, I respectfully request that the Commission take no further action in this matter against the 43rd Ward Democratic Party, its Chairperson Peggy A. Roth, the Friends of Vi Daley, and its Treasurer Thomas Moore.

If you require any additional information, please feel free to contact me.

Sincerely,


Michael J. Kasper

MJK:rf
Enclosure

BEFORE THE FEDERAL ELECTION COMMISSION

GERALD JAECKS,)
)
 Complainant,)
)
 v.) MUR 5406
)
 DANIEL W. HYNES, et al.,)
)
 Respondents.)

AFFIDAVIT OF PEGGY A. ROTH

PEGGY A. ROTH, duly sworn on oath and personal knowledge, hereby deposes and states as follows:


1. I am the elected Committeeman and Chairperson of the 43rd Ward Democratic Party, a local political committee organized pursuant to the laws of the State of Illinois.
2. The 43rd Ward Democratic Party contributed \$1,000 to the Hynes for Senate Committee, a principal campaign committee organized under the Federal Election Campaign Act, on or about March 31, 2003. The 43rd Ward Democratic Party did not contribute any other funds to any federal candidate or committee during 2003.
3. At the time of the contribution to Hynes for Senate, the 43rd Ward Democratic Party had received sufficient funds subject to the limitations and prohibitions of the Federal Election Campaign Act and the requirements of 11 C.F.R. 300.31 to make such a contribution, as required by 102.5(b)(2)(ii).
4. The contribution to Hynes for Senate was based solely upon the 43rd Ward Democratic party's support for Mr. Hynes' candidacy and was not in any way contingent

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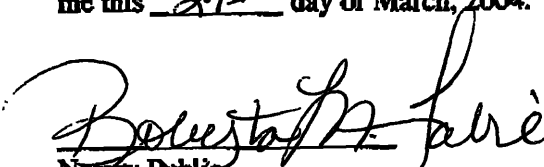
upon or in reliance upon any other contributions by any person, committee, or other
entity to any other committee.

FURTHER AFFIANT SAYETH NOT.

Dated this 29 day of March, 2004.


Peggy A. Rom

SWORN and SUBSCRIBED to before
me this 29th day of March, 2004.


Notary Public



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BEFORE THE FEDERAL ELECTION COMMISSION

GERALD JAECKS,)
)
Complainant,)
)
v.) MUR 5406
)
DANIEL W. HYNES, et al.,)
)
Respondents.)

AFFIDAVIT OF THOMAS MOORE

THOMAS MOORE, duly sworn on oath and personal knowledge, hereby deposes and states as follows:

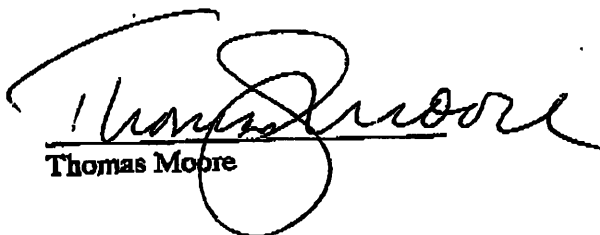
1. I am the Treasurer of the Friends of Vi Daley, a local political committee organized pursuant to the laws of the State of Illinois.
2. Friends of Vi Daley contributed \$1,000 to the Hynes for Senate Committee, a principal campaign committee organized under the Federal Election Campaign Act, on or about September 8, 2003. Friends of Vi Daley did not contribute any other funds to any federal candidate or committee during 2003.
3. At the time of the contribution to Hynes for Senate, Friends of Vi Daley had received sufficient funds subject to the limitations and prohibitions of the Federal Election Campaign Act and the requirements of 11 C.F.R. 300.31 to make such a contribution, as required by 102.5(b)(2)(ii).
4. The contribution to Hynes for Senate was based solely upon Friends of Vi Daley's support for Mr. Hynes' candidacy and was not in any way contingent upon or in

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reliance upon any other contributions by any person, committee, or other entity to any other committee.

FURTHER AFFIANT SAYETH NOT.

Dated this 29th day of March, 2004.


Thomas Moore

SWORN and SUBSCRIBED to before
me this 29th day of March, 2004.


Notary Public



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